

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of)

VERIZON HAWAII INC. )

For Approval to Discontinue )  
Conference Connections Service. )  
\_\_\_\_\_ )

DOCKET NO. 04-0006

DECISION AND ORDER NO. 21103

Filed July 2, 2004  
At 12:00 o'clock P.M.

Karen Higashi  
Chief Clerk of the Commission

DIV. OF CONSUMER ADVOCACY  
DEPT. OF COMMERCE AND  
CONSUMER AFFAIRS  
STATE OF HAWAII

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KAREN HIGASHI  
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Commission, State of Hawaii.

K. Higashi

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

In the Matter of the Application of)	
VERIZON HAWAII INC.	) Docket No. 04-0006
For Approval to Discontinue	) Decision and Order No. 21103
Conference Connections Service.	)
_____)	

DECISION AND ORDER

I.

Background

VERIZON HAWAII INC. ("Verizon Hawaii") requests commission approval to discontinue its Conference Connections service in P.U.C. Tariff No. 3, Section 25, Paragraph II.F. Verizon Hawaii makes its request in an application filed on January 7, 2004, under Hawaii Revised Statutes § 269-16, as amended, and Hawaii Administrative Rules ("HAR") §§ 6-61-111 and 6-80-122 ("Application").

Verizon Hawaii served the DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS, DIVISION OF CONSUMER ADVOCACY ("Consumer Advocate") with copies of the Application. No persons moved to intervene in this docket.

On April 7, 2004, the commission issued Order No. 20888 requiring Verizon Hawaii and the Consumer Advocate (collectively, the "Parties") to meet informally to formulate and file for our review and approval a stipulated procedural order to govern the proceedings in this docket or, in the alternative, separate proposed procedural orders for our consideration and review

within twenty (20) days of the date of the order. The Parties filed their proposed stipulated procedural order on April 20, 2004. The commission issued Stipulated Procedural Order No. 20932 on April 29, 2004 ("Procedural Order No. 20932").<sup>1</sup>

The Consumer Advocate served Verizon Hawaii with information requests ("IRs") on April 20, 2004. Verizon Hawaii filed certain IR responses on May 7, 2004, in accordance with Procedural Order No. 20932, and filed its response to CA-IR-2, under protective seal, on May 20, 2004.

The Consumer Advocate filed its statement of position ("SOP") on the matters of this docket on May 27, 2004, informing the commission that it does not object to the approval of Verizon Hawaii's request; however, it recommends that we require Verizon Hawaii to make an additional filing in the docket. On June 10, 2004, Verizon Hawaii filed its response to the Consumer Advocate's SOP in accordance to Procedural Order No. 20932 ("Response").

## II.

### Verizon Hawaii's Request

#### A.

#### Description of Service

Verizon Hawaii states that Conference Connections is a discretionary service used normally by its business customers to connect three or more users through a conference bridge to

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<sup>1</sup>On May 11, 2004, the Parties filed a proposed stipulated protective order for the commission's review and approval. The commission issued Protective Order No. 20990 on May 19, 2004.

they need to set up a conference call account with VCI. The service is available twenty-four (24) hours per day, seven (7) days per week. There are also no nonrecurring or monthly charges for this service. Reservation-less conference call technology allows conference calls to occur at a moment's notice and allows customers to have default port capacity of twenty (20) ports without restrictions on the duration of the calls. While Conference Connections is considered to be a noncompetitive service, a host of telecommunications providers offer conferencing services in Hawaii, including "AT&T, Sprint, MCI, Global Crossing[, ] and Pacific LightNet".<sup>2</sup>

Verizon Hawaii also informs us that certain customer premises equipment, as in private branch exchanges, provide conference functionality, and that customers can also subscribe to central office switch-based features for three- and six-way conferencing services. Due to these alternatives and the increase in the use of reservation-less conferencing services, demand for reservation-based Conference Connections service has dramatically declined evidenced by a decrease in revenues of over 96 per cent in 2002 from 2001.<sup>3</sup> Verizon Hawaii forecasts that revenues for Conference Connections will continue to decline in the future, making new investment in technology for reservation-based conferencing service unnecessary.

Moreover, Verizon Hawaii represents that the manufacturer of its Conference Connections equipment,

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<sup>2</sup>See, Application at 2.

<sup>3</sup>See, Application at 5.

Voyant Technologies Inc. ("Voyant"), announced its plans to discontinue its reservation-based Allegro teleconferencing system line, the system used by Verizon Hawaii, and support service for the equipment, in 1999. Voyant ended on-site technical support and spare parts for the equipment at the end of 2003 and will only provide telephone assistance to troubleshoot problems until the end of June 2004. Verizon Hawaii states that it has extended provision of reservation-based Conference Connections service as long as practicable but that it cannot continue to provide this service without manufacturer support. Verizon Hawaii contends that since its reservation-based Conference Connections service equipment is obsolete, with no manufacturer support, and since demand for reservation-based conferencing service is declining and being replaced by more modern conferencing services, new investment for equipment to provide this service is senseless.<sup>4</sup>

Accordingly, it intends to discontinue its Conference Connections service in P.U.C. Tariff No. 3, Section 25, Paragraph II.F., as soon as it is able to comply with the requirements of HAR § 6-80-122. To this end, Verizon Hawaii informed its customers of its intent to discontinue providing Conference Connections service within six (6) months, upon state regulatory approval, in a letter on January 7, 2004 ("January 7,

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<sup>4</sup>Verizon Hawaii represents that VCI moved to withdraw reservation-based conferencing service in Texas and California. Commissions in both these jurisdictions have approved applications to withdraw this service in the respective jurisdictions. Specifically, the commission in Texas approved the withdrawal of the service on April 15, 2004, effective on that date; and the commission in California issued an order on April 8, 2004, approving the withdrawal of the service in that jurisdiction effective June 30, 2004.

2004 Letter). Moreover, Verizon Hawaii provides notice of its intent to discontinue the provision of this service to the commission and the Consumer Advocate in compliance with HAR § 6-80-122 through the filing of its application which includes its proposed tariff changes reflecting its request.

### III.

#### Parties' Positions

##### A.

#### Consumer Advocate's Position

The Consumer Advocate informs us that it does not object to our approval of Verizon Hawaii's request to discontinue Conference Connections service, effective July 7, 2004. The Consumer Advocate concludes that approval of Verizon Hawaii's request is in the public interest since: "(1) Voyant will terminate all support of the Allegro system at the end of June 2004; (2) there exists adequate alternatives for conference calling services to meet customer demand; and, (3) [c]ustomers will not be adversely effected by the proposed discontinuation of this service[.]"<sup>5</sup> It notes that customers can avail themselves of reservation-less systems that provide greater capabilities and customer benefits. The Consumer Advocate further contends that a suspension of Verizon Hawaii's application, in this docket, is not in the best interest of the public since the service has little or no demand resulting in additional unnecessary costs to Verizon Hawaii.

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<sup>5</sup>See, Consumer Advocate's SOP at 8.

The Consumer Advocate appears to be satisfied with the actions Verizon Hawaii has taken to comply with the notification requirements of HAR § 6-80-122. However, the Consumer Advocate recommends that we require Verizon Hawaii to file a copy of the informing its customers of the alternatives to reservation-based conference calling service with the commission and the Consumer Advocate ("Filing Recommendation"), to ensure that Verizon Hawaii's customers are informed of their alternatives.

B.

Verizon Hawaii's Response

In its Response, Verizon Hawaii expresses concern with the Consumer Advocate's Filing Recommendation. Verizon Hawaii states that it needs to clarify a statement made by the Consumer Advocate on page seven (7) of its SOP. The statement in question contends that Verizon Hawaii represented that it will inform its customers about several reservation-less providers in the future. Verizon Hawaii states that this statement cites to Verizon Hawaii's January 7, 2004 Letter as its basis. Verizon Hawaii contends that it did not represent, in any form, that it would inform its customers about the presence of other providers of reservation-less conferencing service. It argues that the alternative referenced in its January 7, 2004 Letter refers to VCI's reservation-less conferencing services. Verizon attached a copy of its letter and a brochure regarding VCI's reservation-less conference services sent to its customers on May 24, 2004, as a follow-up to the January 7, 2004 Letter.

Verizon Hawaii contends that the Consumer Advocate's Filing Recommendation is unnecessary, due to the following:

1. The commission's rules do not require carriers who discontinue a service to inform their customers about the presence of alternative providers of that service.
2. Verizon Hawaii has fully conformed to the requirements of HAR § 6-80-122.
3. Information regarding reservation-less conferencing services is readily available to the public via the Internet.
4. It would be inappropriate to require a carrier to inform its customers about specific alternate carriers providing a particular service since the carrier runs the risk of identifying certain providers at the exclusion of others and of possibly misidentifying the services those carriers actually provide.
5. The notification requirements of the commission's rules and state statutes are sufficient.<sup>6</sup>

#### IV.

##### Findings and Conclusions

Upon review, we find Verizon Hawaii's request to discontinue the provision of Conference Connections service, effective as of July 7, 2004, to be reasonable and in the public interest. Verizon Hawaii is in compliance with the notification

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<sup>6</sup>See, Verizon Hawaii's Response at 2. Details with regards to its objections are provided in its Response.



requirements of HAR 6-80-122(a).<sup>7</sup> Verizon Hawaii's decision to discontinue the provision of this service is reasonable since the manufacturer of its Conference Connections service equipment has discontinued this line of equipment and will end all technical support for the equipment by the end of June 2004. New investment for equipment to continue the provision of this discretionary service is unreasonable and a waste of resources since demand for this service has dramatically declined due to the existence of more efficient and convenient conferencing services offered by a host of telecommunications providers in the telecommunications market.

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<sup>7</sup>HAR § 6-80-122(a) requires telecommunications carriers intent on abandoning or discontinuing the provision of a noncompetitive service to provide written notification of its intent at least six (6) months before the proposed date of service abandonment or discontinuation to: (1) the commission; (2) the Consumer Advocate; (3) its affected customers; and (4) every telecommunications carrier in the State providing the same or equivalent service that is proposed to be abandoned or discontinued. Verizon Hawaii filed its application with the commission with copies to the Consumer Advocate, on January 7, 2003, and proposed to discontinue providing Conference Connections service on July 7, 2004. It notified its affected customers of its intent to discontinue providing this service via its January 7, 2004 Letter. Since Verizon Hawaii was unable to locate any carrier in the State providing the same or equivalent service, it concluded that there were no carriers to notify (see, Verizon Hawaii's Response to CA-IR-4(a), filed on May 7, 2004). We note that the Consumer Advocate appears to agree with Verizon Hawaii's assessment (see, SOP at 7).

Furthermore, we find the Consumer Advocate's Filing Recommendation to be unnecessary.<sup>8</sup> Since, among other things, Verizon Hawaii has already sent its customers two (2) letters<sup>9</sup> and has complied with the notification requirements of HAR § 6-80-122, we find it unnecessary to require Verizon Hawaii to send its customers a third letter with information that is readily available to the public. Adoption of this recommendation, at this time, may result in a waste of resources. Thus, we decline to adopt the Consumer Advocate's Filing Recommendation.

Based on the above, the commission concludes that Verizon Hawaii's request to discontinue its Conference Connections service in P.U.C. Tariff No. 3, Section 25, Paragraph II.F., effective July 7, 2004, should be approved.

V.

Orders

THE COMMISSION ORDERS:

1. Verizon Hawaii's request to discontinue its Conference Connections service in P.U.C. Tariff No. 3, Section 25, Paragraph II.F., effective July 7, 2004, is approved.

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<sup>8</sup>It appears that the Consumer Advocate may have misconstrued a portion of Verizon Hawaii's January 7, 2004 Letter which seems to have prompted the recommendation.


<sup>9</sup>Verizon Hawaii, in its January 7, 2004 Letter, notified its customers of its intent to discontinue providing Conference Connections service (see, Application at 6). On May 24, 2004, Verizon Hawaii provided its customers with information concerning VCI's reservation-less conferencing services (see, Response at 1 and enclosures attached to the Response).

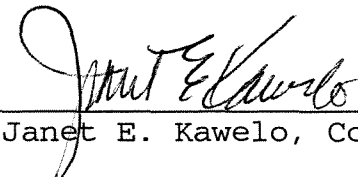
2. Verizon Hawaii shall file revised tariff sheets reflecting the commission's decision in this decision and order with the appropriate issued and effective dates, as soon as practicable.

DONE at Honolulu, Hawaii this 2nd day of July, 2004.

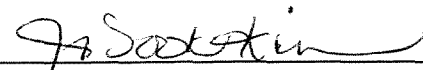
PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By   
Carlito P. Caliboso, Chairman

By   
Wayne H. Kimura, Commissioner

By   
Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

  
Ji Sook Kim  
Commission Counsel

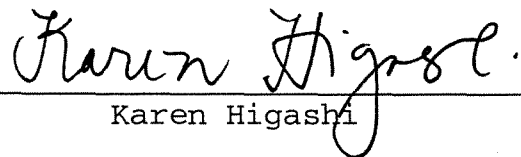
04-0006.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Decision and Order No. 21103 upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
P. O. Box 541  
Honolulu, HI 96809

JOEL K. MATSUNAGA  
VICE PRESIDENT-EXTERNAL AFFAIRS  
VERIZON HAWAII INC.  
P. O. Box 2200  
Honolulu, HI 96841

  
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Karen Higashi

DATED: July 2, 2004